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PP RUEHGA RUEHHA RUEHQU RUEHVC
DE RUEHOT #2280 3522213
ZNR UUUUU ZZH
P 182213Z DEC 07
FM AMEMBASSY OTTAWA
TO RUEHC/SECSTATE WASHDC PRIORITY 7046
INFO RUCNCAN/ALL CANADIAN POSTS COLLECTIVE PRIORITY
RUEHBUL/AMEMBASSY KABUL PRIORITY 0149
RUEHPU/AMEMBASSY PORT AU PRINCE PRIORITY 0153

UNCLAS OTTAWA 002280

SIPDIS

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STATE FOR WHA/CAN, EEB/IFD/ODF, AND AF/EPS
STATE PASS USAID FOR AFR AND EGAT

E.O. 12958: N/A

TAGS: [EAID](#) [ECON](#) [IDA](#) [AF](#) [CA](#)

SUBJECT: NEW CANADIAN PLEDGE TO THE WORLD BANK'S
INTERNATIONAL DEVELOPMENT ASSOCIATION

¶1. ON DECEMBER 14, CANADIAN FINANCE MINISTER FLAHERTY ANNOUNCED THAT CANADA WILL CONTRIBUTE CDOLS 1.3 BILLION TO THE WORLD BANK'S INTERNATIONAL DEVELOPMENT ASSOCIATION. "OUR GOVERNMENT IS COMMITTED TO ENSURING CANADA'S INTERNATIONAL ASSISTANCE IS EFFECTIVE AND THAT TAXPAYERS' MONEY IS WELL SPENT, THE MINISTER TOLD THE PRESS. HE ADDED THAT "THE CONTRIBUTION, A 25-PERCENT INCREASE, IS A PERFECT EXAMPLE OF THAT COMMITMENT. IDA HAS A LONG HISTORY OF PROVIDING ASSISTANCE TO COUNTRIES THAT NEED IT MOST, AND HAS ESTABLISHED A REPUTATION AS ONE OF THE MOST EFFECTIVE DEVELOPMENT INSTITUTIONS."

¶2. THE THREE-YEAR CONTRIBUTION TO THE 15TH REPLENISHMENT OF IDA WAS CONFIRMED AT THE BERLIN REPLENISHMENT MEETING ON DECEMBER 13-14. THE MONEY REPRESENTS AN INCREASE OF CDOLS 262 MILLION AND WILL PUSH CANADA'S SHARE OF IDA FUNDING TO NEARLY 4 PERCENT, CANADA'S HIGHEST SHARE IN 10 YEARS. THE CONTRIBUTION IS ALSO PART OF THE 2007 CANADIAN FEDERAL BUDGET COMMITMENT TO DOUBLE CANADIAN DEVELOPMENT ASSISTANCE BY 2010-11 FROM 2001-02 LEVELS. IT IS ALSO PART OF THE HARPER GOVERNMENT'S INTENTION TO DOUBLE INTERNATIONAL ASSISTANCE TO AFRICA BY 2008-09 FROM 2003-04 LEVELS, AS 50 PERCENT OF IDA'S RESOURCES ARE EXPECTED TO GO TO AFRICA.

¶3. CANADA BELIEVES THAT THE NEW FINANCING WILL ALLOW IDA TO ENHANCE ITS FOCUS ON EFFECTIVE DELIVERY OF AID, FINANCING FOR LARGE REGIONAL PROJECTS LIKE INFRASTRUCTURE, AND SPECIAL ASSISTANCE FOR FRAGILE STATES SUCH AS AFGHANISTAN AND HAITI, WHILE ENSURING THAT COUNTRIES DO NOT TAKE ON UNSUSTAINABLE LEVELS OF DEBT.

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WILKINS